
WASHINGTON PARISH SHERIFF
Franklinton, Louisiana

Basic Financial Statements and
Independent Auditor's Reports

Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT

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CERTIFIED GOVERNMENT FINANCIAL MANAGER

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
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WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

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RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ○ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT

Honorable Robert J. Crowe
Washington Parish Sheriff
Franklinton, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff, as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Washington Parish Sheriff's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

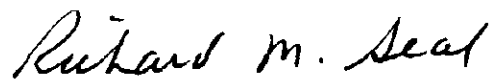
The accounting records were not maintained on a timely basis during the year, and general ledger balances were not reconciled to supporting documentation monthly. In addition, there was a turnover in key accounting personnel. These conditions resulted in pervasive adjusting entries that generated financial statements with questionable integrity. Accordingly, it was impracticable to extend my procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

Because of the possible material effects of the matter described in the preceding paragraph may have on the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff as of June 30, 2008, and the respective changes in financial position for the year then ended, the outcome of which is uncertain, I do not express an opinion on the financial statements.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2009, on my consideration of the Washington Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis on pages 4 through 10 and the budgetary comparison schedule on page 36 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Washington Parish Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountant

Bogalusa, Louisiana
June 25, 2009

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

Washington Parish Sheriff
Franklinton, Louisiana
Management's Discussion and Analysis (Unaudited)

This section of the Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2008.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$200,726 for the fiscal period reported. This represents a decrease in net assets of \$1,173,964.

For the fiscal year ending 06/30/08 compared to the previous year, the total revenues of \$7,310,001 represent an increase of \$697,887. This increase was due to, for the most part, an increase in charges for services/fines. For the fiscal year ending 06/30/08 compared to the previous year, the total expenses of \$8,492,239 represent an increase of \$2,128,892. The increase in expenses is due to numerous factors, including an increase in benefits provided to Sheriff's Office employees, contractual services, and work release expenditures. Effective July 2008, the work release program was closed until further notice.

The Sheriff's office is continuing to work to improve its financial position through careful budget monitoring, a more aggressive approach in sales tax collection and auditing, as well as actively pursuing new grants to enhance its revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts—management's discussion and analysis (this section), the basic financial statements, required supplemental information, an optional section that presents combining statements for non-major funds, and other reports. The basic financial statements include two kinds of statements that present different views of the Sheriff.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the sheriff's department, reporting the Sheriff's operations in more detail than the government-wide statements.
 - The *governmental funds* statements tells how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary fund* statements provide information about the financial relationships in which the Sheriff acts solely as a *trustee or agent* for the benefits of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by a section of required supplemental information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section of supplemental information with combining statements that provide details about our non-major governmental funds and fiduciary funds.

Figure A-1 summarizes the major features of the Sheriff's financial statements, including the portion of the Sheriff's management they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of the Sheriff's Government-wide and Fund Financial Statements
Fund Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire Sheriff's office (except fiduciary funds)	The activities of the Sheriff that are not fiduciary, such as Drug Task Force, patrols, and hospital security.	Instances when the Sheriff is the trustee or agent for someone else's resources, such as ad valorem and Sales tax collection for other governmental entities, and inmate funds
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, Expenditures, and Changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long- term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets include	All assets and liabilities, both short-term and long- term; the Sheriff's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net assets and how they have changed. Net assets—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

Over time, increases or decreases in the Sheriff's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Sheriff's Department you need to consider additional non-financial factors such as changes in the Sheriff's property tax base and the condition of the Sheriff's equipment.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Sheriff's most significant funds—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

- *Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparison between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

- *Fiduciary funds* are used to report taxes, fines, and fees collected for other taxing bodies located in our parish, deposits pending court action, and the individual prison inmate accounts. We exclude these activities from the government-wide statements because the Sheriff cannot use these assets to finance its operations.

The accompanying notes to the financial statement provide information essential to a full understanding of the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. This schedule demonstrates compliance with the Sheriff's adopted and final revised budget.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report model used in this report beginning with the fiscal year ending June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net assets at June 30, 2008 were \$200,726.

Summary of Net Assets

Table A-1
Sheriff's Net Assets

	<u>2007</u>	Governmental Activities	<u>2008</u>	Total Percentage Change <u>2007-2008</u>
Assets				
Current assets	\$ 1,655,365		\$ 655,186	60.42%
Capital assets	<u>1,130,017</u>		<u>900,574</u>	20.30%
Total Assets	\$ 2,785,382		\$ 1,555,760	44.15%
Liabilities				
Current liabilities	\$ 462,249		\$ 389,312	15.78%
Long-term liabilities	<u>948,443</u>		<u>965,718</u>	-1.82%
Total Assets	1,410,692		1,355,030	3.95%
Net assets				
Investment in capital				
Assets, net of debt	1,072,159		900,574	16.00%
Unrestricted	<u>302,531</u>		<u>(699,848)</u>	331.33%
Total net assets	\$ 1,374,690		\$ 200,726	85.40%

Overall, the Sheriff's office reports net assets of \$200,726, which includes \$900,574 invested in capital assets. Current assets exceed current liabilities by \$265,874.

The current ratio is a tool used to assess the ability of the Sheriff to pay or meet short-term obligations. The current ratio is equal to current assets divided by current liabilities.

$$\text{Current Ratio (Sheriff)} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{655,186}{389,312} = 1.68$$

Therefore, the current ratio for the year ended June 30, 2008 is 1.68 to 1.

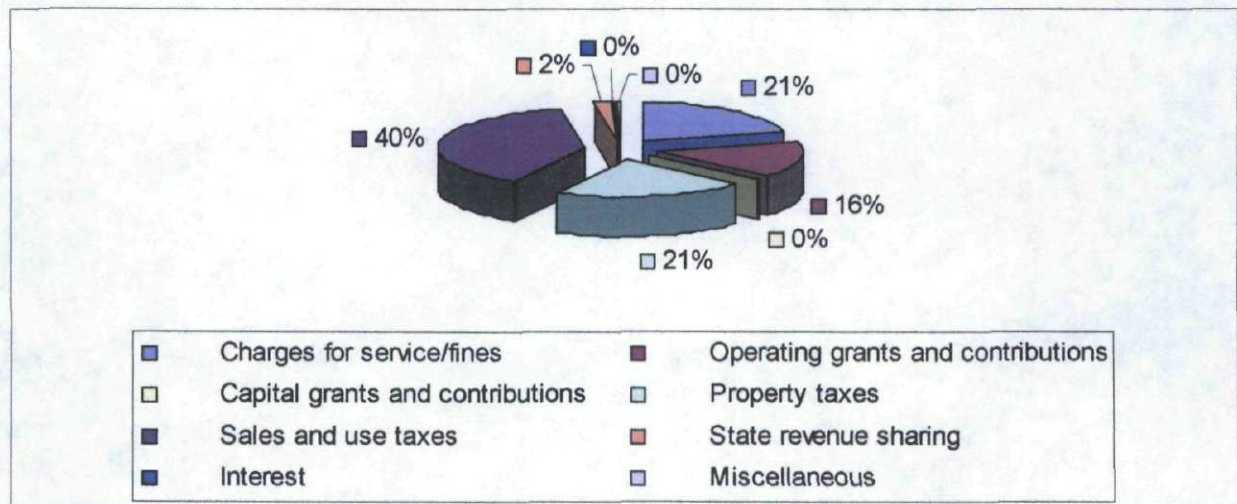
Summary of Changes in Net Assets

Table A-2
Changes in Sheriff's Net Assets

	Governmental Activities		Total Percentage Change
	<u>2007</u>	<u>2008</u>	<u>2007-2008</u>
Revenue			
Program:			
Charges for service/fines	\$ 816,942	\$ 1,520,708	46.28%
Operating grants and contributions	1,423,045	1,133,984	(25.49)%
Capital grants and contributions	42,255	18,909	(123.47)%
General:			
Property taxes	1,392,439	1,541,594	9.68%
Sales and use taxes	2,733,122	2,911,879	6.14%
State revenue sharing	128,918	143,023	9.86%
Interest	49,785	15,876	(213.59)%
Miscellaneous	25,618	24,028	(6.62)%
Total revenues	<u>6,612,114</u>	<u>7,310,001</u>	9.55%
Program expenses:			
Public Safety	<u>6,363,347</u>	<u>8,492,239</u>	25.07%
Total expenses	<u>6,363,347</u>	<u>8,492,239</u>	25.07%
Changes in net assets	\$ 248,767	(\$1,182,238)	(121.04)%

Figure A-2

Sources of Revenue for Sheriff's Fiscal Year 06/30/08



Governmental Activities

The Sheriff is heavily reliant on property taxes and sales taxes to support its operations. Property taxes provided 21.09% of the Sheriff's total revenues. Sales taxes provided 39.83% of the Sheriff's total revenues. Also, note that program revenues covered 31.48% of governmental expenses. This means that the government's taxpayers, in the form of property and sales taxes, and the Sheriff's other general revenues funded 68.52% of its operation.

The Washington Parish Sales/Use Tax Centralization Commission voted to renew the Sales tax collection contract with the Sheriff's office. The contract was signed July 1, 2004 giving the Sheriff's office a 5-year renewal for sales and use tax collections. This will allow the Sheriff to receive a commission of 1.5% of sales tax collections.

The anticipated revenue stream from this commission is in excess of \$200,000 per year. The Sheriff is responsible for all tax collections as well as the performance of sales and use tax audits. The aggressive collection of sales tax is a benefit for all parish agencies.

General Fund Budgetary Highlights

The Sheriff's Office expenditures exceeded its revenues by \$927,250 for fiscal year ending June 30, 2008. Even with this decrease the Sheriff's Office still maintains a positive fund balance of \$265,870.

The only significant budgetary line item changes were the increase in sales and use tax revenue and the work release income. The tax increase of \$674,879 is due to economic factors occurring during the audit period in Washington Parish. The work release income increase of \$523,507 is due to the fluctuation of work release inmates during the audit period.

The Sheriff's Office is continuing to work to improve its financial position through careful budget monitoring and recruiting and retaining competent staff.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008 the Sheriff had invested \$900,574 in a broad range of capital assets, including vehicles, the Work Release Facility, telephone systems, and computer software. (See Table A-3.) This amount represents a net decrease (including additions and deductions) of \$229,443, or 0.0003 percent, over last year.

Table A-3
Sheriff's Capital Assets

	<u>Governmental</u> <u>Activities</u>		<u>Total</u> <u>Percentage</u> <u>Change</u> <u>2007-2008</u>
	<u>2007</u>	<u>2008</u>	
Vehicles	\$ 427,224	\$ 341,969	(19.96)%
Buildings	177,255	167,763	(5.35)%
Furniture and equipment	44,796	26,245	(41.41)%
Other capital assets	430,742	314,597	(26.96)%
Land	<u>50,000</u>	<u>50,000</u>	0%
Total	\$ 1,130,017	\$ 900,574	0.0003%

Long-term Debt

Subsequent to Hurricane Katrina, Washington Parish was declared eligible for Community Disaster Loans from the U.S. Department of Homeland Security. Accordingly, the Sheriff's office was extended a line of credit in the amount of \$1,172,000. The purpose of the loan was to cover any additional costs the Sheriff's office may incur in respect to the storm and also in anticipation of any loss of revenue. The interest rate of the loan is 2.76%. The principal and all accrued interest is due on February 6, 2011.

The U.S. Department of Homeland Security Secretary Janet Napolitano announced on March 30, 2009 that the Federal Emergency Management Agency (FEMA) has proposed an amendment to its Special Community Disaster Loan (CDL) regulations to include forgiveness procedures and requirements allowing local governments to apply for cancellation of loan obligations. The Sheriff has written numerous comments to FEMA requesting the forgiveness of its disaster loan. Presently, the amendment has not passed but if so, the Sheriff's Office will apply for forgiveness of this loan.

On February 28, 2006, the Sheriff's office borrowed \$610,000 against the line of credit. On July 7, 2006 another \$300,000 was borrowed. With the accrued interest, the total amount owed at June 30, 2008 was \$965,718. There are no current plans to make any additional draws on the line of credit.

Table A-4
Sheriff's Outstanding Debt

	<u>Governmental</u> <u>Activities</u>		<u>Total</u> <u>Percentage</u> <u>Change</u> <u>2007-2008</u>
	<u>2007</u>	<u>2008</u>	
FEMA Disaster Loan	\$ 940,585	\$ 965,718	2.67%
Capital leases	<u>7,858</u>	<u>0</u>	100%
Total	\$ 948,443	\$ 965,718	1.82%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The national economy has experienced a significant decline over the past eighteen months, which is directly related to the decline in the economy of Washington Parish. However, we anticipate a slow economic recovery that will increase both sales and ad valorem tax revenues.

Additionally, the ad valorem millage was not rolled correctly for the 2008/2009 fiscal year and therefore, revenues were lost. We have rolled the millage correctly forward for the 2009/2010 fiscal year from 10.47 to 10.96 which will result in a 10% to 15% increase in ad valorem tax revenues.

Sheriff Crowe will be asking the citizens of Washington Parish for a .25% sales tax increase dedicated solely to law enforcement in October 2009. This projected increase in sales tax revenue would supplement the current revenue in order to maintain the Sheriff's Office current operations.

Finally, Sheriff Crowe has retained a grant writer who has made significant progress in acquiring much needed supplies and program funding to aid in the operations of the Sheriff's Office.

All items noted above were taken into account when adopting the general fund budget for 2009-2010.

CONDUCTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact the Sheriff's office at (985) 839-4468 ext. 104.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

Statement of Net Assets

June 30, 2008

ASSETS

Cash and cash equivalents	\$ 232,383
Receivables	422,668
Due to other funds	135
Capital assets, net of accumulated depreciation	900,574
Total assets	<u>1,555,760</u>

LIABILITIES

Accounts payable	\$ 104,029
Salaries and benefits payable	237,883
Accrued vacation leave	46,650
Due to others	750
Long-term obligations:	
Due within one year	-
Due after one year	965,718
Total liabilities	<u>1,355,030</u>

NET ASSETS

Invested in capital assets, net of related debt	900,574
Unrestricted	<u>(699,848)</u>
Total net assets	<u>\$ 200,726</u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Program revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Fees, Fines, & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Public Safety	\$ 8,492,239	\$ 1,520,708	\$ 1,133,984	\$ 18,909	\$ (5,818,638)
Total	<u>8,492,239</u>	<u>1,520,708</u>	<u>1,133,984</u>	<u>18,909</u>	<u>(5,818,638)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,541,594
Sales and use taxes levied for special purposes					2,911,879
State revenue sharing					143,023
Interest					15,876
Miscellaneous					24,028
Total general revenues					<u>4,636,400</u>
Change in net assets					<u>(1,182,238)</u>
Net assets-beginning					<u>1,382,964</u>
Net assets-ending					<u>\$ 200,726</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

Balance Sheet

Governmental Funds

June 30, 2008

	General Fund	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 228,236	\$ 4,147	\$ 232,383
Receivables	376,768	45,900	422,668
Due from other funds	50,182		50,182
Total assets	<u>\$ 655,186</u>	<u>\$ 50,047</u>	<u>\$ 705,233</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 104,029	\$	\$ 104,029
Salaries and benefits payable	237,887		237,887
Due to other funds	-	50,047	50,047
Due to others	750		750
Accrued vacation leave	46,650		46,650
Total liabilities	<u>389,316</u>	<u>50,047</u>	<u>439,363</u>
Fund balances:			
Unreserved, reported in:			
General fund	265,870		265,870
Total fund balances	<u>265,870</u>	<u>-</u>	<u>265,870</u>
Total liabilities and fund balances	<u>\$ 655,186</u>	<u>\$ 50,047</u>	

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements.	\$ 900,574
Long-term obligations and capital leases are long-term liabilities which are not reported in the fund financial statements.	<u>(965,718)</u>
Net assets of governmental activities	<u>\$ 200,726</u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Other Governmental funds	Total
Revenues			
Ad valorem taxes	\$1,541,594	\$	\$1,541,594
Sales taxes	2,911,879		2,911,879
Intergovernmental revenues:			
Federal grants	45,578	24,045	69,623
State grants	18,909		18,909
State revenue sharing	143,023		143,023
State supplemental pay	193,764		193,764
Fees, charges and commissions for services:			
Commissions	305,426		305,426
Civil and criminal fees	86,446		86,446
Feeding and keeping prisoners	870,597		870,597
Work Release Program income	813,507		813,507
Insurance proceeds	7,417		7,417
Donations	6,350		6,350
Interest	15,487	389	15,876
Other revenues	307,703	7,626	315,329
Total revenues	<u>7,267,680</u>	<u>32,060</u>	<u>7,299,740</u>
Expenditures			
Current:			
Public Safety:			
Personal services	5,175,188	32,060	5,207,248
Materials and supplies	1,832,499		1,832,499
Contractual services	209,924		209,924
Continuing education	25,469		25,469
Other	26,022		26,022
Interest	57		57
Work Release Program expenses	873,927		873,927

(Continued)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Other Governmental funds	Total
Expenditures (Continued)			
Debt service:			
Principal	\$ 7,858	\$	\$ 7,858
Interest	314		314
Capital outlay	53,933		53,933
Total expenditures	<u>8,205,191</u>	<u>32,060</u>	<u>8,237,251</u>
 Excess (deficiency) of revenues over expenditures	 (937,511)	 -	 (937,511)
Other Financing Sources (Uses)			
Sale of surplus equipment	10,261		10,261
Total other financing sources	<u>10,261</u>	<u>-</u>	<u>10,261</u>
 Net change in fund balances	 (927,250)	 -	 (927,250)
 Fund balances-beginning	 <u>1,193,120</u>	 <u>-</u>	 <u>1,193,120</u>
 Fund balances-ending	 <u><u>\$ 265,870</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 265,870</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2008

Net change in fund balances—total governmental funds \$ (927,250)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$260,444) exceeded capital outlays \$43,497 in the current period. (216,947)

In the statement of activities, only the *gain* on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the assets sold. (20,766)

Long-term borrowing provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. (17,275)

Change in net assets of governmental activities \$(1,182,238)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,180,715
Accounts receivable	<u>1,980,169</u>
 Total Assets	 <u><u>\$ 3,160,884</u></u>
 LIABILITIES	
Liabilities:	
Held for other taxing bodies	\$ 3,038,997
Due to other funds	135
Held for others pending court action	107,898
Held for inmates	<u>13,854</u>
 Total Liabilities	 <u><u>\$ 3,160,884</u></u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2008

INTRODUCTION

As provided by Article V, Section 27 of Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales tax throughout the parish.

Aubrey Jones served as Sheriff from November 27, 2001 through June 30, 2008. Robert J. Crowe defeated Sheriff Jones in a runoff election in November, 2007. Sheriff Crowe was sworn-in and began a four-year term on July 1, 2008.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Sheriff is considered a primary government, since it is a special purpose government, the Sheriff is elected, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, defined by GASB Statement 14 as other legally separate

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship. The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the Washington Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Sheriff. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental funds is at least ten percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental fund:

The General Fund is the primary operating fund of the Sheriff. It accounts for all the financial resources except those that are required to be accounted for in other funds.

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as well as, the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized in the month the sale occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures, generally, are

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

D. Budget Practices

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary.

Neither encumbrances accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

F. Investments

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Vehicles	5 years
Buildings	40 years
Building improvements	10 years
Furniture and equipment	5 years
Other capital assets	5 years

H. COMPENSATED ABSENCES

The Sheriff's department adopted the following policy regarding vacation and sick leave effective January 1, 2003:

Vacation: does not accumulate, is paid on termination, and accrues as follows:

	8 hour days	12 hour days
• 1-4 years of service	- 80 hours	- 84 hours
• 5-6 years of service	- 96 hours	- 108 hours
• 7-9 years of service	- 112 hours	- 132 hours
• 10+ years of service	- 120 hours	- 144 hours
• 15+ years of service	- 160 hours	- 168 hours

Sick leave: does accumulate without limitation, is not paid on termination, and accrues at the rate of 4.62 hours per pay period (26 in a year).

I. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

J. Sales Taxes

On October 3, 1992, the voters of Washington Parish approved (for an indefinite period) a ½ percent sales tax to be effective January 1, 1993. The sales and use tax was collected and remitted to the Sheriff by an independent collecting agent for a monthly fee for the year ended June 30, 1996. Beginning July 1, 1996 the Sheriff began collecting the tax as the central sales tax collection agency for Washington Parish. The net proceeds of the tax were dedicated to the following exclusive uses:

- ◆ Forty (40) percent to the salaries of criminal law enforcement deputies.
- ◆ Twenty (20) percent to the support of criminal law enforcement deputies, including the hiring and training of additional criminal law enforcement personnel, consisting of criminal patrol deputies, juvenile officers, burglary and narcotics detectives.
- ◆ Forty (40) percent to the purchase, maintenance and support of law enforcement vehicles and equipment.

On November 13, 2005, the voters rededicated the sales tax as follows:

- ◆ Forty (60) percent to the salaries of criminal law enforcement deputies.
- ◆ Twenty (20) percent to the support of criminal law enforcement deputies, including the hiring and training of additional criminal law enforcement personnel, consisting of criminal patrol deputies, juvenile officers, burglary and narcotics detectives.
- ◆ Forty (20) percent to the purchase, maintenance and support of law enforcement vehicles and equipment.

K. Ad Valorem

The following is a summary of authorized and levied ad valorem taxes.

	Levied Millage	Expiration Date
General operations	10.96	Indefinite

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2008, the sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Petty cash	\$ 813
Demand deposits	9,210
Interest-bearing demand deposits	<u>222,360</u>
Total	<u>\$ 232,383</u>

At June 30, 2008, the Sheriff maintained a cash balance of \$1,180,715 in the agency funds, which is not reflected in the Statement of Net Assets.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

3. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2008, the Sheriff has \$2,791,165 in deposits (collected) bank balances. These deposits are secured from risk by \$500,000 of federal deposit insurance and \$2,877,897 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

WASHINGTON PARISH SHERIFF
Notes to the Financial Statements(Continued)

4. RECEIVABLES

The receivables of \$422,668 at June 30, 2008, follow:

Class of Receivable	General Fund	Other Governmental Funds	Total
Sales tax	\$ 187,544	\$	\$ 187,544
Sales tax commission	25,323		25,323
Ad Valorem tax	787		787
Sheriff's sales	7,260		7,260
Probation fines	150		150
Tax certificates	30		30
Clerk of Court notices	4,023		4,023
State prisoner feeding & housing	71,866		71,866
Parish prisoner feeding	22,834		22,834
Inmate account	36,274		36,274
Record check fee	450		450
Interest income	3,416		3,416
Federal grants	13,691	45,900	59,591
Security details	714		714
Telephone reimbursement	307		307
Miscellaneous	2,099		2,099
Total	<u>\$ 376,768</u>	<u>\$ 45,900</u>	<u>\$ 422,668</u>

5. INTERFUND RECEIVABLES/PAYABLES

Individual balances due from/to other funds at June 30, 2008 follow:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 50,182	\$
Other Governmental Funds:		
Special Revenue Fund-		
Drug Task Force		50,047
Fiduciary Funds:		
Sheriff's Fund		135
Total	<u>\$ 50,182</u>	<u>\$ 50,182</u>

WASHINGTON PARISH SHERIFF
Notes to the Financial Statements(Continued)

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2008, follow:

	Balance 06/30/07	Prior- Period Adjustment	Increases	Decreases	Balance 06/30/08
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 50,000	\$ —	\$ —	\$ —	\$ 50,000
Total capital assets not being depreciated	50,000	—	—	—	50,000
Capital assets being depreciated:					
Vehicles	813,991	43,471	43,497	42,540	858,419
Buildings	186,747	—	—	—	186,747
Furniture and equipment	180,307	—	—	58,745	121,562
Other capital assets	709,349	—	—	6,499	702,850
Total capital assets being depreciated	1,890,394	43,471	43,497	107,784	1,869,578
Less accumulated depreciation for:					
Vehicles	(386,767)	(35,201)	(123,375)	(28,893)	(516,450)
Buildings	(9,492)	—	(9,492)	—	(18,984)
Furniture and equipment	(135,511)	—	(11,432)	(51,626)	(95,317)
Other capital assets	(278,607)	—	(116,145)	(6,499)	(388,253)
Total accumulated depreciation	(810,377)	(35,201)	(260,444)	(87,018)	(1,019,004)
Capital assets being depreciated, net	1,080,017	8,270	(216,947)	20,766	850,574
Total capital assets	<u>\$ 1,130,017</u>	<u>\$ 8,270</u>	<u>\$ (216,947)</u>	<u>\$ 20,766</u>	<u>\$ 900,574</u>

The prior-period adjustment was made to include vehicles that were left off of the list prepared as of June 30, 2007.

7. PENSION PLAN

Plan Description. Substantially all employees of the Washington Parish Sheriff's Office are members of the Sheriff's Pension and Relief Fund ("System"), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

All Sheriffs, all deputies, and non-deputized employees who are found to be physically fit and 18 years of age or older, who earn at least \$400 per month, if employed after September 7, 1979 and before January 1, 1991, \$550 per month, if employed between January 1, 1991 and December 31, 1999, or \$800 per month if employed after January 1, 2000 are required to participate in the System. Benefits are computed at 3 $\frac{1}{3}$ % for each year of creditable service, including purchased military or prior service. Members are eligible to retire at or after age 55 with at least 12 years of credited service. Members with 20 or more years of service are eligible for an actuarially reduced benefit at age 50. In any average case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, or by calling (225) 219-0521.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The sheriff's contributions to the System for the years ending June 30, 2008, 2007, and 2006, were \$409,372, \$316,926, and \$313,418, respectively, equal to the required contributions for each year.

8. POST-RETIREMENT BENEFITS

The Washington Parish Sheriff provides certain continuing health care benefits for retired employees. The Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff and have fifteen (15) years of service. These benefits for retirees and similar benefits for active employees are provided through the Sheriff's General Fund. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2008, the Sheriff expended \$811,427 for

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

health care and life insurance benefits. Included in this total is \$47,635 of health care benefits paid for retirees. As of June 30, 2008, there were 14 retirees and 121 active employees.

9. SHORT-TERM DEBT

The Sheriff uses a revolving line of credit to finance general operations during periods of uneven ad valorem and sales tax collection.

Short-term debt activity for the year ended June 30, 2008, follows:

	Beginning Balance		Draws		Repayments		Ending Balance
Line of Credit	\$	—	\$	—	\$	—	\$

10. FEMA DISASTER LOAN

Subsequent to Hurricane Katrina, Washington Parish was declared eligible for Community Disaster Loans from the U. S. Department of Homeland Security. Accordingly, the Sheriff's office was extended a line of credit in the amount of \$1,172,000. The purpose of the loan was to cover any additional costs the sheriff's office may incur in respect to the storm and also in anticipation of any loss of revenue. The interest rate of the loan is 8.76%. The principal and all accrued interest is due on February 6, 2011.

On February 28, 2006, the Sheriff's Office borrowed \$610,000 against the line of credit. On July 7, 2006 the Sheriff's Office borrowed an additional \$300,000. With the accrued interest, the total amount owed at June 30, 2008 was \$965,718.

The U.S. Department of Homeland Security Secretary Janet Napolitano announced on March 30, 2009 that the Federal Emergency Management Agency (FEMA) has proposed an amendment to its Special Community Disaster Loan (CDL) regulations to include forgiveness procedures and requirements allowing local governments to apply for cancellation of loan obligations. The Sheriff has written numerous comments to FEMA requesting the forgiveness of its disaster loan. Presently, the amendment has not passed but if so, the Sheriff's Office will apply for forgiveness of this loan.

WASHINGTON PARISH SHERIFF
Notes to the Financial Statements(Continued)

11. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2008:

	Capital Leases	FEMA Disaster Loan	Total
Amount owed 07/30/07	\$ 7,858	\$ 940,585	\$ 948,443
Additions	—	25,133	25,133
Deletions	(7,858)	—	(7,858)
Amount owed 06/30/08	<u>\$ —</u>	<u>\$ 965,718</u>	<u>\$ 965,718</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of capital leases payable as of June 30, 2008:

	Capital Leases	FEMA Disaster Loan	Total
Current portion	\$ —	\$ —	\$ —
Long-term portion	—	965,718	965,718
Total	<u>\$ —</u>	<u>\$ 965,718</u>	<u>\$ 965,718</u>

12. OPERATING LEASES

The Sheriff leases office space, motor pool and inmate work release facilities under non-cancelable operating leases. Future minimum rental payments required under operating leases that have non-cancelable lease terms in excess of one year follow:

	Buildings	Total
June 30, 2008	\$ 27,000	\$ 27,000
Total	<u>\$ 27,000</u>	<u>\$ 27,000</u>

13. JOINT VENTURE

The Sheriff of Washington Parish together with the City of Bogalusa Police Department comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force

WASHINGTON PARISH SHERIFF

Notes to the Financial Statements(Continued)

are funded by federal grants from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with contributions from the two law enforcement agencies.

14. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Sheriff's office occupies various facilities owned by the Parish. The cost of maintaining and operating these facilities, as required by Louisiana Revised Statute 33:4715, is paid by the Washington Parish Council.

15. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, and natural disasters. To handle such risk of loss, the Sheriff maintains commercial insurance coverage automobile liability, medical payments, uninsured motorist, and surety bond coverage. The Washington Parish Sheriff participates in the Louisiana Sheriff's Law Enforcement Program to provide excess liability insurance and law enforcement professional liability insurance. During the year ended June 30, 2008, the Sheriff has paid \$144,554 for automobile coverage and \$138,996 for professional liability coverage. No claims were paid in the last three years that exceeded the policies' coverage amount. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

16. LITIGATION AND CLAIMS

At June 30, 2008, the Sheriff is involved in a number of lawsuits. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would have a favorable outcome and/or would be covered by insurance. Legal counsel further advised that the provisions of the present Louisiana Constitution do not permit a person holding a judgment against the Sheriff to levy or collect that judgment against any assets of the Sheriff in a judicial fashion.

Further, a Petition for Declaratory Judgment and Recovery of 2007 Ad Valorem Taxes Paid Under Protest was filed on February 9, 2009 by Southern Natural Gas Company. The Sheriff is holding in escrow in the Tax Collector Fund \$225,493 of taxes paid under protest by Southern Natural Gas Company.

WASHINGTON PARISH SHERIFF**Notes to the Financial Statements (Concluded)****17. CONTINGENT LIABILITY**

The Sheriff receives funds from a number of state and federally-assisted grants. Audits of these grants could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff's management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

18. CHANGES IN AGENCY FUND BALANCES

A summary of changes in unsettled balances due to taxing bodies and others follows:

	Sheriff's Fund	Tax Collector Fund	Sales Tax Collector Fund	Inmate Fund	Total
Balance at 07/01/07	\$ 108,721	\$ 1,102,355	\$ 54,380	\$ 45,525	\$ 1,310,981
Additions	919,377	17,882,023	25,639,216	267,235	44,707,851
Deductions	920,065	17,955,710	23,742,928	239,245	42,857,948
Balance at 06/30/08	<u>\$ 108,033</u>	<u>\$ 1,028,668</u>	<u>\$ 1,950,668</u>	<u>\$ 73,515</u>	<u>\$ 3,160,884</u>

19. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others at June 30, 2008, include taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$609,482 as follows:

Southern Natural Gas	\$ 225,493
Reliant Energy	19,257
Florida Gas	<u>364,732</u>
	<u>\$ 609,482</u>

These monies are held in escrow pending resolution of the protest.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,541,594	\$ 141,594
Sales and use taxes	2,237,000	2,237,000	2,911,879	674,879
Intergovernmental revenues:				
Federal grants	228,500	228,500	45,578	(182,922)
State grants	-	-	18,909	18,909
State revenue sharing	128,000	128,000	143,023	15,023
State supplemental pay	149,000	149,000	193,764	44,764
Fees, charges, etc.	1,147,500	1,147,500	1,262,469	114,969
Work Release Program income	290,000	290,000	813,507	523,507
Insurance proceeds	-	-	7,417	7,417
Donations	-	-	6,350	6,350
Other	85,000	85,000	323,190	238,190
Total revenues	<u>5,665,000</u>	<u>5,665,000</u>	<u>7,267,680</u>	<u>1,602,680</u>
EXPENDITURES				
Current-				
Public safety:				
Personal services	3,900,000	3,900,000	5,175,188	(1,275,188)
Material and supplies	1,350,000	1,350,000	1,832,499	(482,499)
Contractual	120,000	120,000	209,924	(89,924)
Continuing education	45,000	45,000	25,469	19,531
Interest expense	-	-	57	(57)
Other	-	-	26,022	(26,022)
Work Release Program expenses	-	-	873,927	(873,927)
Debt service	-	-	8,172	(8,172)
Capital outlay	250,000	250,000	53,933	196,067
Total expenditures	<u>5,665,000</u>	<u>5,665,000</u>	<u>8,205,191</u>	<u>(2,540,191)</u>
Excess (deficiency) of revenues over expenditures	-	-	(937,511)	(937,511)
OTHER FINANCING SOURCES(USES)				
Sale of fixed assets	5,000	5,000	10,261	5,261
Total other financing sources(uses)	<u>5,000</u>	<u>5,000</u>	<u>10,261</u>	<u>5,261</u>
Net change in fund balance	5,000	5,000	(927,250)	(932,250)
Fund balance, beginning	263,550	263,550	1,193,120	929,570
Fund balance, ending	<u>\$ 268,550</u>	<u>\$ 268,550</u>	<u>\$ 265,870</u>	<u>\$ (2,680)</u>

See accompanying auditor's report.

OTHER SUPPLEMENTAL INFORMATION

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Other Governmental Funds
For the Year Ended June 30, 2008

DRUG TASK FORCE (Special Revenue Fund)

The Sheriff of Washington Parish together with the City of Bogalusa Police Department comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force are funded by a federal grant from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with a local match of 25% by the Sheriff.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Balance Sheet
Other Governmental Funds -
Special Revenue Fund
June 30, 2008

	Drug Task Force Fund
ASSETS	
Cash	\$ 4,147
Grant receivables	<u>45,900</u>
Total assets	<u><u>\$ 50,047</u></u>
LIABILITIES	
Liabilities:	
Due to other funds	<u>\$ 50,047</u>
Total liabilities	<u><u>\$ 50,047</u></u>

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds -
Special Revenue Fund
For the Year Ended June 30, 2008

	<u>Drug Task Force Fund</u>
REVENUES	
Intergovernmental revenues:	
Federal grants	\$ 24,045
Interest income	389
Other revenue	<u>7,626</u>
Total revenues	32,060
 EXPENDITURES	
Public safety:	
Personal services	<u>32,060</u>
Total expenditures	<u>32,060</u>
 Net change in fund balance	-
 Fund balances, beginning of year	<u>-</u>
 Fund balances, end of year	<u><u>\$ -</u></u>

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Fiduciary Fund Type - Agency Funds
June 30, 2008

SHERIFF'S FUND

The Sheriff's Fund accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

SALES TAX COLLECTOR FUND

The sheriff was selected by the Washington Parish Sales and Use Tax Centralization Commission to collect all sales and use taxes (except auto dealers) in Washington Parish beginning July 1, 1996. This fund accounts for the collection of those taxes and the remittance thereof to the various taxing bodies.

INMATE FUND

The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentence.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Combining Statement of Fiduciary Assets and Liabilities-
Fiduciary Fund Type - Agency Funds
June 30, 2008

ASSETS	TAX		SALES TAX		TOTAL
	SHERIFF'S FUND	COLLECTOR FUND	COLLECTOR FUND	INMATE FUND	
Cash	\$ 77,336	\$ 1,010,649	\$ 19,503	\$ 73,227	\$ 1,180,715
Accounts receivable	30,697	18,019	1,931,165	288	1,980,169
Total Assets	\$ 108,033	\$ 1,028,668	\$ 1,950,668	\$ 73,515	\$ 3,160,884
LIABILITIES					
Liabilities:					
Held for other taxing bodies	\$ -	\$ 1,028,668	\$ 1,950,668	\$ 59,661	\$ 3,038,997
Due to other funds	135				135
Held for others pending court action	107,898				107,898
Held for inmates				13,854	13,854
Total Liabilities	\$ 108,033	\$ 1,028,668	\$ 1,950,668	\$ 73,515	\$ 3,160,884

See accompanying auditor's report.

OTHER REPORTS

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ○ CERTIFIED GOVERNMENT FINANCIAL MANAGER

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Robert J. Crowe
Washington Parish Sheriff
Franklinton, Louisiana

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff, as of and for the year ended June 30, 2008, which collectively comprise the Washington Parish Sheriff's basic financial statements and have issued my report thereon dated June 25, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Parish Sheriff's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington Parish Sheriff's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Washington Parish Sheriff's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Washington Parish Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a

misstatement of the Washington Parish Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Washington Parish Sheriff's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Washington Parish Sheriff's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did identify one deficiency in internal control over financial reporting that I consider to be a material weakness, as defined above, which is discussed in the accompanying schedule of findings as item 2008-2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are discussed in the accompanying schedule of findings as item 2008-1 and 2008-3.

This report is intended solely for the information and use of the Washington Parish Sheriff and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Account

Bogalusa, Louisiana
June 25, 2009

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Schedule of Findings
For the Year Ended June 30, 2008

I have audited the basic financial statements of the Washington Parish Sheriff as of and for the year ended June 30, 2008, and have issued my report thereon dated June 25, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2008 resulted in a no opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☒ Yes ☐ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

Section II Financial Statements Findings

2008-1 AUDIT REPORT LATE

Criteria - Annual financial reports of local governments are required by Louisiana law to be completed within six months after the year end.

Condition - Information was not available in time to complete the audit by the December 31, 2008 deadline.

Auditor's Recommendations - An adequate staff should be maintained to ensure that future audits are timely completed.

Management's Response - Effective July 1, 2008, Robert Crowe replaced Aubrey Jones as Sheriff of Washington Parish. As such, many of the key personnel were replaced and subsequently, the sheriff's office lost the knowledge of occurrences specific to the audit period, making responses to the auditor a more time consuming process. Additionally, Sheriff Crowe has hired a CPA and other competent staff to ensure future audits are completed timely. Finally, we have made significant efforts to maintain the accounting records on a monthly basis in order to meet the six-month deadline for the June 30, 2009 fiscal year.

(Continued)

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Schedule of Findings
For the Year Ended June 30, 2008

Section II—Financial Statement Findings(continued)

2008-2 RECONCILING ACCOUNTS TO SUPPORTING DOCUMENTS

Criteria - In order to make the financial reports generated by the accounting system as meaningful as possible, the general ledger accounts for cash, accounts receivable, accounts payable and payroll payable should be reconciled to supporting documentation on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

Condition -Reconciliations were not done on a monthly basis.

Auditor's Recommendations - A cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors. A reconciliation of accounts receivable from the general ledger to the accounts receivable detail ledger should be prepared to check that the recording of transactions is accurate and proper and that any adjustments to, or write-offs of, accounts receivable have been approved. A reconciliation of accounts payable from the general ledger to the outstanding accounts payable register should be prepared to determine that all additions to, and payments of, accounts payable are correctly recorded and to determine whether there are any disputed items. Payroll payables should also be reconciled to the supporting payroll information on a monthly basis. The "Due to Others" account in the fiduciary funds should also be reconciled to the detail on a monthly basis. These reconciliations and adjustments will ensure meaningful and accurate financial statements. The financial statements can then be used to help in the management decision-making process and for year-end budget planning.

Management's Response - For the fiscal year ending June 30, 2009, the accounting records were maintained and reconciled on a monthly basis. However, beginning July 1, 2009, each fund will be closed on a monthly basis, allowing the chief financial officer to assess the financial position of the sheriff's office, prepare the required budget-to-actual comparisons, and report to the sheriff the financial status on a monthly basis.

(Continued)

See accompanying auditor's report.

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
Schedule of Findings
For the Year Ended June 30, 2008

Section II—Financial Statement Findings(continued)

2008-3 BUDGET NOT AMENDED

Criteria - State law (R.S. 39:1311) requires a budget amendment whenever total actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures by five percent.

Condition - For the fiscal year ended June 30, 2008 actual expenditures exceeded budgeted expenditures by \$2,604,378 or 46 percent.

Auditor's Recommendations - The budget should be amended as necessary to comply with state law.

Management's Response - The Sheriff's Office has taken the necessary steps to amend the 2008-2009 budget accordingly. We will continue to make budget adjustments in futures years as necessary.

(Concluded)

WASHINGTON PARISH SHERIFF
Schedule of Prior-Year Findings
June 30, 2008

Ref No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
2007-1	2007	Annual financial reports of local governments are required by Louisiana law to be completed within six months after the year end. Information was not available in time to complete the audit by the December 31, 2007 deadline.	Not resolved. See finding 2008-1
2007-2	2006	State law (R.S. 39:1311) requires a budget amendment whenever total actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures by five percent or more. For the fiscal year ended June 30, 2007 actual expenditures exceeded budgeted expenditures by \$794,845 or 13.5 percent.	Not resolved. See finding 2008-3.

See accompanying auditor's report.